

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-384-C - ORDER NO. 2006-87
FEBRUARY 2, 2006

IN RE: Application of Bell Atlantic Communications, Incorporated DBA Verizon Long Distance for Approval of an Increase of Maximum Rates for Long Distance Message Telecommunications Service and Plan M Service Monthly Recurring Charge) ORDER APPROVING) TARIFF REVISIONS) AND SETTLEMENT) AGREEMENT))
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the proposed tariff revision filed by Bell Atlantic Communications, Incorporated d/b/a/ Verizon Long Distance (Verizon or the Company). The filing increases the maximum rates for Long Distance Message Telecommunications Services (LDMTS) and Plan M Service Monthly Recurring Charge (MRC). The Company proposes to increase the LDMTS maximum rate from \$0.35 to \$0.60, and the Plan M Service MRC maximum rate from \$2.00 to \$6.00. Upon approval of this filing, the Company plans to increase the current rate for LDMTS from \$0.35 to \$0.40 and for Plan M Service the current rate will go from \$2.00 to \$3.00. According to the Company, these maximum rate revisions are not general rate increases and do not impact the general body of ratepayers. Verizon requests a February 1, 2006 effective date.

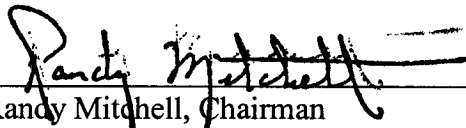
Subsequent to this filing and on January 20, 2006, a Settlement Agreement (the Agreement) between Verizon and the Office of Regulatory Staff (ORS)(together, the

parties) was filed. This is attached as Order Exhibit 1. Under the Agreement, Verizon agrees to provide a minimum of thirty (30) days notice to current subscribers of its LDMTS and Plan M Services of the increase in rates requested in this matter prior to their being implemented and charged to current customers. Further, parties agree that the Company should be granted the requested increases in maximum rates for LDMTS and Plan M Services. We agree that the maximum rate revisions are not general rate increases and do not impact the general body of ratepayers. Accordingly, we will rule without a hearing. See Section 58-9-520 (Supp. 2005).

We have reviewed the materials submitted, including the Settlement Agreement and conclude that the proposed tariff revision and the Settlement Agreement should be approved. Certainly, the Company is entitled to raise its maximum rates in this case and to raise the actual rates in its price list. The interexchange market is competitive in nature, and customers are entitled to choose from a wide variety of companies and services. Clearly, if Verizon's customers wish to change providers, they are free to do so. Further, customers of other companies are free to switch to Verizon. We do agree, however, that providing a minimum of thirty (30) days notice to the customers with regard to the change in rates for these services is in the public interest.

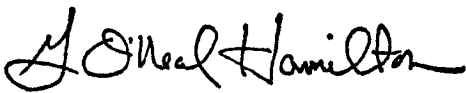
Accordingly, the tariff revisions and the Settlement Agreement are approved. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-384-C
January 20, 2006

RECEIVED
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 SC PUBLIC SERVICE
 COMMISSION

IN RE:

Application of Bell Atlantic Communications,
 Incorporated d/b/a Verizon Long Distance
 For Approval of an Increase of Maximum
 Rates for Long Distance Message
 Telecommunications Service and Plan M
 Service Monthly Recurring Charges.

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Bell Atlantic Communications, Incorporated d/b/a Verizon Long Distance ("Verizon" or "Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on December 9, 2005 Verizon filed an application requesting a tariff revision, which the Company requested to become effective on February 1, 2006. This filing would increase the maximum rates for Long Distance Message Telecommunications Services (LDMTS) and Plan M Service Monthly Recurring Charge (MRC). The Company proposes to increase the LDMTS maximum rate from \$0.35 to \$0.60, and the Plan M Service MRC maximum rate from \$2.00 to \$6.00. If approved by the South Carolina Public Service Commission ("PSC"), the Company plans to increase the current rate for LDMTS from \$0.35 to \$0.40 and for Plan M Service the current MRC will go from \$2.00 to \$3.00.

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WHEREAS, in accordance with the directive of the PSC, on January 5, 2006 the Company filed with the PSC proof of publication of the Notice of Filing in this matter in *The State* newspaper on January 3, 2006, and;

WHEREAS, no other parties have intervened in this matter by the last intervention date of January 16, 2006, as stated in the aforesaid public notice, and;

WHEREAS, since the filing of the notice, ORS has reviewed the proposed tariffs and rate schedules submitted by Verizon;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions;

- 1) The Parties agree to stipulate into the record before the Commission this Settlement Agreement;
- 2) Verizon agrees to provide a minimum of thirty (30) days notice to current subscribers of its LDMTS and Plan M Services of the increase in rates requested in this matter prior to their being implemented and charged to such current customers;
- 3) The Parties agree that the Company should be granted the requested increase in its maximum rates for LDMTS and Plan M Services;
- 4) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

- ... 'public interest' means a balancing of the following:
- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
 - (2) economic development and job attraction and retention in South Carolina; and
 - (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of

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utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

5) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

6) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair, or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty or obligation.

7) This Settlement Agreement shall be interpreted according to South Carolina law.

8) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the

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document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff



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WE AGREE:

**Representing Bell Atlantic Communications, Inc. d/b/a
Verizon Long Distance**

